No. 17-979

IN THE

Supreme Court of the United States

BIC CORPORATION, NORWOOD PROMOTIONAL PRODUCTS, LLC, AND BIC USA INC.,

Petitioners,

v.

MARKETQUEST GROUP, INC., DBA ALL-IN-ONE,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether the Ninth Circuit correctly required that a district court consider a plaintiff's well-pleaded trademark infringement claim, in view of the evidence presented on summary judgment, and articulate its reasons for finding confusion unlikely, before granting summary judgment to defendants on their affirmative defense of "fair use," where resolution of the first issue could moot the defense, and the *degree* of likely confusion was relevant to whether the defendants' uses were "objectively fair."

RULE 29.6 NOTATION

Respondent has no parent, and there are no publicly held companies that hold any of Respondent's stock.

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OPINIONS BELOW

In addition to the opinions identified in the petition, and reproduced in Pet. App. A, B, and C, the district court's November 7, 2011 opinion on Respondent's motion for preliminary injunction, cited in the other opinions, at Pet. App. 2a-3a, 7a, 17a, 19a, and 25a, is unreported, but available at 2011 WL 5360899.

JURISDICTION

This Court has jurisdiction under 28 U.S.C. § 1254(1), but the petition incorrectly states that the Ninth Circuit denied rehearing *en banc* "in a 2-1 Panel vote." Pet. 1. The Hon. Edward R. Korman, visiting from the United States District Court for the Eastern District of New York, sat by designation, under 28 U.S.C. § 292(d) and 9th Cir. General Order 1.4, and was ineligible to vote, under 9th Cir. General Order 5.1(a)(3). Nonetheless, he recommended *against* rehearing, making the Panel's denial unanimous, and no judge within the full court requested a vote on whether to rehear the case. Pet. App. 35a.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The petition does not set out the verbatim texts of the statutes involved in this case, as required by Sup. Ct. R. 14.1(f), or include them in an appendix, under Sup. Ct. R. 14.1(i). Pursuant to Sup. Ct. R. 15.3, 24(f), they are as follows:

15 U.S.C. § 1114(1) provides, in pertinent part:

> Any person who shall, without the consent of the registrant (a) use in commerce any reproduction . . . copy or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or (b) reproduce . . . copy, or colorably imitate a registered mark and apply such reproduction . . . copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action by the registration for the remedies hereinafter provided.

15 U.S.C. § 1125(a)(1) sets forth:

> Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading

description of fact, or false or misleading representation of fact, which (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1117(a) provides that:

When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office [or] a violation under section 1125(a) . . . of this title . . . shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action . . . . The court in exceptional cases may award reasonable attorney fees to the prevailing party.

15 U.S.C. § 1115(b) states, *inter alia*, that:

To the extent that the right to use the

> registered mark has become incontestable . . . the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and . . . exclusive right to use the registered mark in commerce . . . . Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 1114 . . . and shall be subject to the following defenses or defects: . . . . (4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of . . . a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party . . . .

INTRODUCTION

This Court held, in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004) ("KP Permanent I"), that, while a defendant asserting the affirmative defense of fair use in a trademark infringement action bears no freestanding burden to negate the likelihood of confusion, *id.* at 118, 123, and "some possibility of consumer confusion" is compatible with fair use, *id.* at 121-122, the *extent* or *degree* of likely confusion may be relevant in assessing whether a use is "objectively fair." 543 U.S. at 123. The Court also held that "it is only when a plaintiff has shown likely confusion by a preponderance of the evidence that a defendant could have any need" for the fair use defense, *id.* at 120, because that is "'the only situation in which it even becomes relevant,'" *id*. (quoting *Shakespeare Co. v. Silstar Co.*, 110 F.3d 234, 243 (4th Cir.1997)), and outlined the options available to defendants in such cases. 543 U.S. at 120.

The decision in *KP Permanent I* resolved a conflict among the Courts of Appeals regarding the interplay between the "likelihood of confusion" and "fair use," 543 U.S. at 116-117, and was effective, leading to uniformity in the federal appellate and district court opinions which followed. The decision is also important in this case, which directly presents the question of whether the degree of likely confusion arising from the parties' simultaneous use of two identical designations, for the same goods and services, targeted to the same consumers, in identical channels of trade, where the parties are direct competitors, known to one another, and with a history of trademark conflicts, crossed the threshold beyond which the defense is unavailable, because Petitioners' uses were not "objectively fair." CA9 Br. at 17, 18-19.[1]

The petition effectively asks the Court to abrogate its decision in *KP Permanent I*, and hold that a court may grant summary judgment to a defendant on fair use, without first, or ever, considering the

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[1] Docket entries in Ninth Circuit Appeal No. 15-55755 are cited "R__." References to Respondent's *Opening Brief*, at R23, are cited "CA9 Br. __," and references to its *Reply Brief*, at R55-1, are cited "CA9 Rep. Br. __." Citations to page numbers within these documents use the numbers stamped by the court in blue, at the top of each page, upon electronic filing.

likelihood of confusion, regardless of the degree of likely (or actual) confusion established by a plaintiff in a given case. According to Petitioners, fair use is a "complete defense," Pet. 2, 10, that should not be treated differently than other affirmative defenses, and no "discussion of the likelihood of confusion" should be required before a district court grants summary judgment on fair use. Pet. 16. But this position was expressly rejected in *KP Permanent I*; the fair use defense differs in nature from those discussed in the petition; and, the typical "likelihood of confusion" analysis often overlaps with elements of fair use, such that evidence related to the likelihood of confusion is also pertinent to the statutory fair use factors. Moreover, contrary to Petitioners' arguments, there is no conflict among the Circuits on this issue, and, because this appeal is interlocutory, as the Ninth Circuit remanded the case, for clarification of the district court's rulings, and further, ongoing proceedings, Petitioners' defense may be mooted thereby, or found to be unavailable for reasons entirely unrelated to their "Question Presented" herein. Accordingly, the petition should be denied.

STATEMENT OF THE CASE

Respondent, Marketquest Group, Inc., dba All-In-One ("Marketquest"), is a promotional products supplier, engaged in the production, advertising, and sale of customizable business promotional merchandise to promotional products distributors, ranging from writing instruments, tote-bags, and rulers, to computer peripherals, such as USB drives, custom-imprinted for use by businesses in promoting their goods and services. CA9 Br. 21. *Suppliers*, such as Marketquest, manufacture or import such goods; sell them to distributors, with imprinting services, to include a company's name, logo, or marketing message; and, *distributors* purchase these goods and services, and sell them to *end-users* – the companies desiring to promote their brands. *Id.* at 29-30.

Since 1999, Marketquest's flagship mark for its foregoing goods and services has been "ALL-IN-ONE," which is also the trade name by which Marketquest is known in the promotional products industry. CA9 Br. 21-25. In 2000, Marketquest adopted its second most important mark, "THE WRITE CHOICE," used continuously since that date for a variety of goods, including writing instruments, such as pens, pencils, and markers. *Id.* at 21-25. Marketquest has spent millions of dollars promoting these marks, using myriad marketing tools, the most important of which is its "ALL IN ONE" catalogue, redesigned and published each year. *Id.* at 22, 37-38; R24-1 at 459, 511, 520, 551, 556, 560.

Marketquest holds five federal registrations for its marks – four covering "ALL-IN-ONE," in block letter and stylized forms, and one for "THE WRITE CHOICE," and two of its "ALL-IN-ONE" registrations are "incontestable," under 15 U.S.C. § 1065. CA9 Br. 25-27; R24-1 at 375-388.

Petitioners, BIC Corporation and BIC USA Inc. ("BIC"), acquired Petitioner, Norwood Promotional Products, LLC ("Norwood") at a bankruptcy auction in 2009. Before this acquisition, Norwood was the second-largest non-apparel promotional products supplier, having grown by acquiring dozens of smaller suppliers, and adopting their marks as sub-brands. After the acquisition, Petitioners collectively comprised the promotional products arm of BIC – one of the industry's largest suppliers. CA9 Br. 22-23. Petitioners and Marketquest are direct competitors, operating in the same channels of trade; attending the same trade shows; targeting the same customers; and, using the same marketing tools, and in 2006, the parties were adversaries in an unrelated trademark dispute, during which, Petitioners became aware of Marketquest, and its "ALL IN ONE" catalogue and marks. *Id.* at 28-41.

In 2010, Norwood created, published, and flooded the market with, a promotional products catalogue for 2011, featuring "**All in ONE**" on the cover in bold, black type, above the listing of product categories, where Norwood's sub-brands previously appeared. Pet. App. 2a; CA9 Br. 39, 41-43, 46-48.[2] The selection of this designation caused concerns within BIC, due to its awareness of Marketquest's "ALL IN ONE" marks, including concerns that BIC might be perceived negatively, as a "bully in the marketplace." CA9 Br. 43-45. Nonetheless, the catalogue was published and widely-distributed, with **All in ONE** in a prominent, titular position. Unsurprisingly, this

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[2] The petition refers to this use as "all in one" throughout, using normal, lower-case type, to convey an impression of descriptive, non-trademark use. Pet. 3, 4, 15. But Norwood never used the phrase in this manner in marketing, advertising, or point-of-sale materials, instead, using "**All in ONE**," "**ALL in ONE**," "All in One," and "All In One." CA9 Br. 48-49.

resulted in actual confusion, including, predominantly, reverse confusion. *Id.* at 55-60.

2011 also marked the 30th anniversary of BIC's *Round Stic®* pen, one of BIC's best-known writing instruments, and BIC launched a major, nationwide promotion, with a "communications focus" that it had been "The WRITE Choice for 30 years." CA9 Br. 49-55.[3] Initially, BIC used the exact phrase, "The WRITE Choice" on packaging and marketing materials for the pens, *id.* at 50, 52, but subsequently, it inserted "Pen" between "WRITE" and "Choice," resulting in "The WRITE Pen Choice." *Id.* at 51. Hundreds of thousands of BIC's "The WRITE (Pen) Choice" flyers and other sales materials were shipped to distributors in early-2011, in "kits" which included Norwood's **All in ONE** catalogue, and an ***All in ONE*** *Distributor Reference Guide*, and goods bearing each designation were displayed together at trade shows attended by Marketquest and its customers. *Id.* at 53-54.

Marketquest filed its operative *First Amended Complaint* against Petitioners on May 5, 2011, for federal trademark infringement, unfair competition, and related state law claims, Pet. App. 2a; R18-1, and, on August 26, 2011, moved for a preliminary injunction against Petitioners for "ALL IN ONE." Pet. App. 2a-3a; CA9 Br. 61. The district court held that Marketquest's "ALL IN ONE" mark was "at least" suggestive, and "inherently distinctive" for its

[3] The petition also refers to this use throughout as "the write choice," using lower-case type, Pet. 3, 4, 5, 9, but this is not the way BIC actually used the phrase. CA9 Br. 50-54.

products, and found confusion likely to occur. CA9 Br. 61-62. But the court denied Marketquest's motion, based on fair use, while emphasizing that its factual conclusions ultimately should be resolved at trial. R18-1 at 276, 279.

Following discovery, the parties filed cross-motions for summary judgment, and the district court granted summary judgment to BIC and Norwood, based on fair use, for both "ALL IN ONE" and "THE WRITE CHOICE." Pet. App. 3a, 31a, 33a. For "ALL IN ONE," the court incorporated the analysis in its earlier order on Marketquest's motion for preliminary injunction, finding "some likelihood of confusion." Pet. App. 17a, 19a, 25a. But the court held no further analysis was necessary, because Petitioners were "completely protected by fair use." Pet. App. 26a, 17a.

As for "THE WRITE CHOICE," the district court stated, "there is no evidence of actual or potential confusion," Pet. App. 31a, but neither articulated its reasoning for this conclusion nor examined Marketquest's infringement claim under the factors enumerated in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir.1979), for assessing whether confusion is likely to occur. Pet. App. 19a.[4] Instead, dismissing "THE WRITE CHOICE" as a "trite pun," which, while "suggestive," was "*based on* a common descriptive phrase," Pet. App. 32a-33a (emphasis added), purportedly used by BIC "in good faith for its primary

[4] Elsewhere, the court stated, apparently contradictorily, "[i]t is arguable that only a small minority of the challenged slogan's uses were infringing at all." Pet. App. 33a.

meaning," Pet. App. 33a, the court granted BIC's motion for summary judgment on fair use.

Marketquest appealed the district court's judgment on May 15, 2015, R24-1 at 33, and the Ninth Circuit reversed. First, the Ninth Circuit held that "genuine issues of material fact exist" under each element of the fair use defense, as applied to BIC's and Norwood's uses of "ALL IN ONE." Pet. App. 11a-16a.[5] Second, the Ninth Circuit directed the district court to reexamine its "likelihood of confusion" analysis regarding the mark, to assess "the relevance of the *degree* of consumer confusion," which also is a factor in the fair use assessment. Pet. App. 18a-19a. Finally, the Ninth Circuit reversed the district court's grant of summary judgment to BIC based on fair use, for its uses of "THE WRITE CHOICE," noting that it should not have reached the defense if no likelihood of confusion exists; further noting that no *Sleekcraft* analysis was conducted to assess the likelihood of confusion, or its degree; and, remanding, with an order that the district court "consider Marketquest's trademark infringement claims" regarding BIC's uses of this mark. Pet. App. 19a.

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[5] Contrary to inferences in the petition, the Ninth Circuit did not hold that Norwood's use of "**All in ONE**" on its catalogue was a descriptive, non-trademark use – it stated only that a "strong argument" exists that this was the case. Pet. App. 14a. Moreover, the court noted that Norwood's other uses, including "decontextualized references" to the catalogue, and a Website entreaty to "Put Your Drinkware Needs . . . in a Norwood ALL in ONE Basket," "undermine" the "descriptive use argument," and leave open the possibility that Norwood's uses attained trademark sigificance. Pet. App. 14a-15a. *See also* CA9 Br. 34, 87, 95.

On July 21, 2017, Petitioners sought *en banc* review of the Ninth Circuit Panel's decision concerning "THE WRITE CHOICE." R82. However, this request was denied, with no judge voting to rehear the case. Pet. App. 35a.

This Court should also deny the petition for a writ of certiorari.

REASONS FOR DENYING THE PETITION

I. The Ninth Circuit Correctly Directed the District Court to Consider Marketquest's Infringement Claims, and Articulate its Reasoning, Prior to Granting Summary Judgment on Fair Use.

Contrary to Petitioners' arguments, the Ninth Circuit's ruling does not require the district court, upon remand, to "go through . . . an 'exhausting' list of factors" to examine Marketquest's trademark infringement claims. Pet. 14. In fact, the Ninth Circuit expressly noted that "[a] court is not required in every case to recite and analyze all the factors identified in *Sleekcraft* and [*KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596 (9th Cir. 2005) ("KP Permanent II")], one-by-one for a fair use analysis to be complete." Pet. App. 18a. As the Ninth Circuit stated, "[a] court *may* do so, but these are merely factors to facilitate a court's analysis, to the degree they are relevant in a given case." *Id.* (emphasis in original). Thus, the defect in the district court's opinion was not its failure to examine each *Sleekcraft* factor.

Instead, the problem was that, absent clarification, the district court's opinion simply did not make sense.

First, the district court concluded, summarily, without amply articulating its reasoning, that there was "no evidence of actual or potential confusion," arising from BIC's uses of "THE WRITE CHOICE" mark. Pet. App. 31a. But despite this "finding," the court then proceeded to rule on fair use, and grounded its summary judgment solely upon the defense, rather than on a lack of liability. Absent any likelihood of confusion, this ruling would be superfluous, as defeating Marketquest's case on confusion alone would entitle BIC to judgment, whether or not its uses were fair. *KP Permanent I*, 543 U.S. at 120.

Second, despite the district court's "finding" on the likelihood of confusion, there is no indication in the opinion for its basis, and no evidence the court actually examined *any* of the factors used to assess the likelihood of confusion in the Ninth Circuit, even though the court's opinion admits that Marketquest cited these factors in its brief. Pet. App. 31a. These factors, as enumerated in *Sleekcraft*, 599 F.2d at 348-49, are: (1) strength of the mark; (2) proximity of the goods (or services); (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type(s) of goods (or services), and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Id.*

The absence of any analysis under these factors left the Ninth Circuit with insufficient information for its review, and, though Fed. R. Civ. P. 52(a)(3) states that a district court need not provide findings or conclusions when ruling on motions under Fed. R. Civ. P. 56, it is well-established that a court of appeals may, nonetheless. remand a case, for the purpose of requiring a court to articulate its reasoning. *Carter v. Stanton*, 405 U.S. 669, 672 (1972) (district court's opinion vacated and remanded where order was "opaque and unilluminating as to ether the relevant facts or the law"); *Lorenzo v. MillerCoors, LLC*, 702 Fed. Appx. 917, 921 (11th Cir. 2017) (unpublished) ("When . . . challenging questions are passed on in silence, we have remanded cases to the district court for it to articulate its reasoning"); *Halley v. Honeywell Intl., Inc.*, 861 F.3d 481, 501 (3d Cir. 2017) (expense award reversed and remanded where court addressed the issues "only in conclusory statements"); *Lamle v. Mattel, Inc.*, 65 Fed. Appx. 293, 295 (Fed. Cir. 2003) (unpublished) ("in complicated cases, a summary disposition lacking any explanation of the district court's reasoning risks reversal when a reviewing court cannot discern the basis for the . . . decision"); *Couveau v. Am. Airlines, Inc.*, 218 F.3d 1078, 1080 (9th Cir. 2000) ("a summary judgment that fails to disclose the district court's reasons runs contrary to the interest of judicial efficiency, by compelling the appellate court to scour the record . . . to find evidence in support of the decision"). Thus, it was proper for the Ninth Circuit to remand the likelihood of confusion issue to the district court, to elucidate the basis for its "finding" that no such likelihood of confusion exists.

Third, the assessment of likely confusion is particularly important in fair use cases, under *KP*

Permanent I, and *KP Permanent II*, and accordingly, the Ninth Circuit was correct and prudent to solicit an opinion ensuring this was not overlooked. In *KP Permanent I*, this Court held that, although a plaintiff bears the burden of proving that a likelihood of confusion exists; a defendant asserting the fair use defense has no independent obligation to negate it, 543 U.S. at 118, 123; and, "some possibility of consumer confusion" is compatible with fair use, *id.* at 121-122, the *extent* or *degree* of likely confusion may be relevant in assessing whether a defendant's use is "objectively fair." *Id.* at 123. Based on this decision, the Ninth Circuit affirmed, in *KP Permanent II*, that "the degree of consumer confusion remains a factor in evaluating fair use." 408 F.3d at 608-609. Yet, the degree of likely or actual confusion cannot be assessed if no analysis is conducted, or, if conducted, is not articulated.

Finally, the Ninth Circuit's remand and directive to the district court comport with this Court's holding in *KP Permanent I* that, "it is only when a plaintiff has shown likely confusion by a preponderance of the evidence that a defendant could have any need" for the fair use defense, 543 U.S. at 120, because that is "'the only situation in which it even becomes relevant.'" *Id.* (quoting *Shakespeare Co.*, 110 F.3d at 243). The Court's decision in *KP Permanent I*, clearly envisions fair use determinations as a two-step process, in which the first step consists of the plaintiff "making out a *prima facie* case of trademark infringement, including the element of likelihood of confusion," 543 U.S. at 120, and the second consists of the offering of rebuttal evidence by the defendant, the assertion of an affirmative defense, or both. *Id.* In the present case, the district court effectively put the cart before the horse, and in doing so, made it impossible for the Court of Appeals to determine whether the judgment should be affirmed, on grounds that Marketquest failed to establish its *prima facie* case; affirmed, on grounds that the likelihood of confusion assessment, based on the evidence tendered by Marketquest, showed some likelihood of confusion, but not a sufficient degree to overcome the fair use defense; or, denied, on grounds that the degree of likely confusion was substantial, indicating that BIC's use could not be deemed "objectively fair."

II. "Descriptive Fair Use" Differs from Other Affirmative Defenses; *Should* Be Treated Differently; and, Is Not the "Complete Defense" Petitioners Claim.

Petitioners argue that the fair use defense should not be "singled out for disparate, unfair treatment," Pet. 7, but the facts are that "classic" or "descriptive" fair use is different in nature from other affirmative defenses which Petitioners discuss, and a number of affirmative defenses are treated differently than others, based, in part, on the nature of the defense; its origin (*i.e.*, whether it arises under a statute with unique provisions, or under common law); and, its elements, and accompanying burdens of proof.

First, examining the general characteristics of affirmative defenses promptly reveals that trademark fair use is different. As a general rule, "[a]n affirmative defense raises matters extraneous to the plaintiff's *prima facie* case; as such, they are derived from the common law plea of 'confession and avoidance.'" *Ford Motor Co. v. Transport Indem. Co.*, 795 F.2d 538, 546 (6th Cir. 1986) (citation omitted); *Keeler Brass Co. v. Contl. Brass Co.*, 862 F.2d 1063, 1066 (4th Cir. 1988) (same). Defenses such as "laches," fit this mold, as exemplified by *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 841 (9th Cir. 2002), which Petitioners cite, Pet. 9, because they operate entirely independently of the elements required for a plaintiff to establish its *prima facie* case. If a plaintiff proves all elements of its claim, but waited to lodge its action beyond the point which the law allows, the affirmative defense defeats the claim, without regard for the elements comprising it.

Trademark fair use, on the other hand, as codified in 15 U.S.C. § 1115(b)(4), is technically a "defense" only to the conclusive evidentiary effect of an incontestable trademark registration, and is far from "complete." Restatement (Third) of Unfair Competition § 28 (1995). Specifically, an incontestable registration that is subject to one of the defenses in 15 U.S.C. § 1115(b), becomes merely *prima facie* evidence of the registrant's exclusive right to use the mark, and is then subject to any legal or equitable defenses applicable to unregistered marks. *Id. See also*, *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 199 n.6, (1985). Moreover, unlike other affirmative defenses, trademark fair use is related to, and intersects, the likelihood of confusion analysis comprising a plaintiff's *prima facie* case.

For example, the use of another's mark subjects the user to liability under 15 U.S.C. § 1114, only if it is likely to cause confusion, and, in the case of a descriptive mark, the likelihood of confusion will depend on whether prospective purchasers are likely to understand the defendant's use of the term as a mere description of the defendants' goods or services, rather than an indicator of source. In some cases, the manner of the defendant's use may justify an inference that confusion is unlikely, and unless this inference is overcome by other evidence, the defendant is not subject to liability. This, of course, is also an integral component of the fair use defense. But "[i]n such cases . . . fair use is a 'defense' only in the sense that evidence relating to the manner of use can rebut a necessary element of the plaintiff's claim." Restatement (Third) of Unfair Competition § 28 cmt. b (1995).[6]

Similarly, it is well-established that "to the degree that confusion is likely, a use is less likely to be found fair." *Shakespeare Co.*, 110 F.3d at 242-43; *KP Permanent I*, 543 U.S. at 123. But this is not because the "likelihood of confusion" has been injected into fair use as an element. Rather, this result obtains because a high degree of confusion about the product's source

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[6] In fact, the Sixth Circuit has addressed this issue by holding that "use as a mark" is a threshold requirement for all *Lanham Act* claims, and where a defendant is not using the disputed term "as a mark," the fair use defense is never reached, but instead, the court finds that there has been no infringement. *See, e.g.*, *Oaklawn Jockey Club, Inc. v. Kentucky Downs, LLC*, 687 Fed. Appx. 429, 433–34 (6th Cir. 2017) (unpublished); *Kelly-Brown v. Winfrey*, 717 F.3d 295, 307 (2d Cir. 2013) (criticizing the Sixth Circuit's approach).

evidences that the defendant is more likely using the term, *de facto*, as a mark, rather than in a purely non-descriptive sense. *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1059 (7th Cir. 1995).

Indeed, in the multiple-factor tests employed in most Circuits to evaluate the likelihood of confusion, certain factors tend to be uniformly important, particularly, the similarity of the marks, any evidence of actual confusion, and the defendants' intent. *See, e.g.*, *Sleekcraft*, 599 F.2d at 348-349; *Packman v. Chi. Tribune Co.*, 267 F.3d 628, 643 (7th Cir. 2001); *Polaroid Corp. v. Polarad Elec. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961). By comparison, the standard set forth in 15 U.S.C. § 1115(b)(4) for fair use requires non-trademark use, descriptiveness, and fairness and good faith, and in many cases, though not all, the underlying facts will cause these inquiries to overlap. Intent to avoid customer confusion for example, one of the factors relevant to the likelihood of confusion, may well bear on the fairness and good faith requirement for fair use as well. The same holds for the analysis of whether a defendant's use is descriptive alone, rather than source-identifying, as a mark. Evidence that consumers actually associate the purported fair use with the trademark owner's products, for example, tends to support both the likelihood of confusion, and an inference that the defendants' use is source-identifying.

This close relationship between the likelihood of confusion and fair use, led one pre-*KP Permanent I* court to conclude that, "[t]o some degree, the 'fair use' and 'absence of confusion' arguments are but two sides of the same coin." *Natl. Fedn. of the Blind, Inc. v. Loompanics Enterprises, Inc.*, 936 F. Supp. 1232, 1240 (D. Md. 1996). Even today, the leading commentator on trademark law opined:

> I think it clear that traditional evidence of likely confusion is indeed admissible and relevant on the issue of classic fair use. This kind of evidence can come in either under the 'used fairly' element of the statutory defense and/or under the 'otherwise than as a mark' part of the defense.

J. Thomas McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 11:47 (5th ed. 2017). Finally, with the exception of the district court's opinion in this case, no federal courts have expressly held that fair use is a "complete defense" to trademark infringement.[7]

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[7]The only cases which have used such "complete defense" verbiage are *Car-Freshner Corp. v. Sun Cedar, Inc.*, No. 7:15-CV-1463, 2016 WL 3881097, *4 (N.D.N.Y. July 13, 2016), in which the court quoted an argument to that effect by the defendant, without so holding; *Deer Park Spring Water, Inc. v. Appalachian Mt. Spring Water Co.*, 762 F. Supp. 62, 66 (S.D.N.Y. 1991), in which a party did not dispute this notion; and, *Herman Miller, Inc. v. A. Studio s.r.l.*, No. 1:04-CV-781, 2006 WL 1494997, *1 (W.D. Mich. May 24, 2006) in which the court stated, erroneously, that this holding was reached in *Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond's USA Co.*, 125 F.3d 28, 30 (2d Cir. 1997), though the case contained no such statement. *See also Dolby v. Robertson*, No. C 86-4907 SC, 1986 WL 1180234, *7 (N.D. Cal. Nov. 5, 1986) ("fair use is not a complete defense to a narrow injunction.").

Other cases cited in the petition for the proposition that the trademark fair use defense is applied unfairly, are either utterly inapposite, or do not say what Petitioners claim. For example, Petitioners cite *Hardage v. CBS Broad., Inc.*, 427 F.3d 1177 (9th Cir. 2005), *amended on denial of reh'g*, 433 F.3d 672 (9th Cir. 2006), *amended on denial of reh'g*, 436 F.3d 1050 (9th Cir. 2006), for the proposition that summary judgment was granted on an affirmative defense against a claim for vicarious liability based on harassment, Pet. 10, but this is untrue. In *Hardage*, the court ruled on the merits *first*, and only then turned to the affirmative defense, stating, "Kohler has failed to demonstrate a disputed factual issue as to whether she suffered a tangible employment action." *Id.* at 1184-85. Next, the petition invokes the *copyright* fair use defense, Pet. 10, which receives unique treatment under 17 U.S.C. § 107, and, as a statutory doctrine, is actually a "right," rather than a defense. *Lenz v. Universal Music Corp.*, 815 F.3d 1145, 1152–53 (9th Cir. 2016), *cert. denied*, 137 S. Ct. 416 (2016). *See also Warner Bros. Entm't, Inc. v. X One X Prods.*, 840 F.3d 971, 980 (8th Cir 2016) (holding that trademark fair use and copyright fair use derive from wholly separate statutory provisions, which are constructed differently, and formulated specifically for each subject area).

Finally, the petition argues, with respect to "THE WRITE CHOICE" itself, that self-laudatory marks are considered descriptive, but the cases cited by Petitioners concerning marks that actually are descriptive, or even generic, rather than exclusively laudatory, such as "America's Best Popcorn," as used for popcorn, and "Goin' the extra mile," for a tire dealership. Pet. 8-9. Those marks are unquestionably descriptive. However, self-laudatory terms are not inherently descriptive – in fact, where a term is only laudatory, it is suggestive, not descriptive, and entitled to protection without a showing of secondary meaning. *See Perfect Pearl Co. v. Majestic Pearl & Stone, Inc.*, 887 F. Supp. 2d 519, 532-33 (S.D.N.Y. 2012); *Estee Lauder Inc. v. The Gap, Inc.*, 108 F.3d 1503, 1509 (2d Cir. 1997); *Plus Prods. v. Plus Disc. Foods, Inc.*, 722 F.2d 999, 1005 (2d Cir.1983). Moreover, "THE WRITE CHOICE" has no primary descriptive meaning; is not synonymous with "the right choice," and differs therefrom in appearance, meaning, and commercial impression. Thus, it is self-laudatory, and not descriptive.[8]

In sum, the treatment outlined in *KP Permanent I*, and followed by other courts, including the Ninth Circuit, in which disposition of the fair use defense follows, rather than precedes, the likelihood of confusion analysis, is important to maintain.

III. There Is No Conflict among the Circuit Courts of Appeal.

The petition also submits that the Ninth Circuit's decision is in conflict with the law of other

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[8]Puns, such as "THE WRITE CHOICE" are also generally considered to be arbitrary, rather than descriptive. *See Pac. Telesis Grp. v. Int'l Telesis Commc'ns*, 994 F.2d 1364, 1369 (9th Cir. 1993); *Lettuce Entertain You Enterprises, Inc. v. Leila Sophia AR, LLC*, 703 F. Supp. 2d 777, 789-90 (N.D. Ill. 2010).

Circuits. Pet. 11. However, the purported conflict is illusory, and none of the cases cited by Petitioners support it.

First, the Second Circuit's decisions in *Cosmetically Sealed Indus.*, 125 F.3d 28, and *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 268 (2d Cir. 1995).issued in 1997 and 1995 respectively, preceded this Court's decision in *KP Permanent I*, and thus, merely reflect the Circuit split that existed before this Court brought uniformity to the applicable federal law.

Second, the petition mischaracterizes *Dessert Beauty, Inc. v. Fox*, 568 F.Supp.2d 416 (S.D.N.Y. 2008), *aff'd*, 329 Fed.Appx. 333 (2d Cir. 2009). Pet. 11. The court in that case undertook a *complete* likelihood of confusion analysis, which it incorporated into the "good faith" element of the fair use test, and this analysis was completed before the court decided the fair use issue, after noting that no reasonable jury could find that confusion was likely to occur. Similarly, the court in *Sorensen v. WD-40 Co.*, 792 F.3d 712, 725-26 (7th Cir. 2015), cited by Petitioners, Pet. 13, conducted a complete likelihood of confusion analysis, and concluded there were no disputed facts regarding same, before issuing its ruling on fair use, in a manner consistent with *KP Permanent I*.

Third, Petitioners' citation of *Hensley Mfg. v. ProPride, Inc.*, 579 F.3d 603, 611-12 (6th Cir. 2009), Pet. 12, is inapposite, as the case involved a motion to dismiss, not a summary judgment motion; was based on the sufficiency of the complaint's allegations, rather than decided on the merits; and, the complaint itself established that no likelihood of confusion existed. *Id.*

Finally, though Petitioners claim they have been prejudiced by litigating this case in the Ninth Circuit, instead of the Second Circuit, where they are domiciled, Pet. 12-13, the fact is, the result in the Second Circuit would be the same, as courts within the Second Circuit do not find fair use where the degree of likely confusion is substantial. *See, e.g.*, *Mears v. Montgomery,* 02 CIV. 407 MHD, 2013 WL 69221, *4 (S.D.N.Y. Jan. 4, 2013), *aff'd*, 566 Fed. Appx. 17 (2d Cir. 2014) (unpublished) ("the [Supreme] Court . . . explicitly recognized . . . that a finding of likely confusion might be properly deemed a significant consideration militating against the . . . fair use defense . . . . *In this case, the evident likelihood that Mear's use of the term, "Intruders Review" . . . would cause public confusion, would tilt the balance against finding fair use*.") (emphasis added).

In sum, none of these cases establish a Circuit conflict with respect to the Ninth Circuit's decision in this case.

IV. The Petition Is Interlocutory, and Ongoing Proceedings Before the District Court May Render it Moot.

Finally, this Court should deny the petition due to the interlocutory status of this case. The Ninth Circuit remanded this case to the district court, both for clarifications, and for further proceedings, and those further proceedings are active and ongoing, and could well moot the issue presented by Petitioners herein. As this Court has stated, "We generally await final judgment in the lower courts before exercising our certiorari jurisdiction." *Virginia Mil. Inst. v. U.S.*, 508 U.S. 946 (1993) (citing *American Constr. Co. v. Jacksonville, T. & K.W.R. Co.*, 148 U.S. 372, 384 (1893); *Locomotive Firemen v. Bangor & Aroostook R. Co.*, 389 U.S. 327, 328 (1967) (per curiam) ("because the Court of Appeals remanded the case, it is not yet ripe for review by this Court. The petition for a writ of certiorari is denied.")

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully Submitted,

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